

Flawed by Design, and Creating the Secret State

Intelligence in Recent Public Literature

Flawed by Design: The Evolution of the CIA, JCS, and NSC

By Amy B. Zegart. Stanford, CA: Stanford University Press, 1999, 317 pages.

Creating the Secret State: The Origins of the Central Intelligence Agency, 1943-1947

By David R. Rudgers, Lawrence, KS: University Press of Kansas, 2000, 228 pages.

Reviewed by Michael Warner

Two recent books, written from different perspectives, nonetheless agree that the origins of the CIA have determined much of its destiny.

Amy Zegart's *Flawed by Design* is a revision of her doctoral dissertation in political science at Stanford University. She examines three organizations created by the great charter of the American defense and foreign policy establishment, the National Security Act of 1947. Looking in turn at the National Security Council, the Joint Chiefs of Staff, and the CIA, she concludes that the compromises necessary to enact the Act handicapped each of these three organizations from the outset.

Flawed by Design contends that CIA suffered from President Truman's zeal for military unification. Truman also wanted intelligence reform, but in his mind that goal was secondary to the task of refurbishing the nation's creaky defense structure. The Army and Navy resisted his plans, however, and Truman was loath to push the services on the less-important issues:

With no political capital to spare, the President went along. His executive actions and legislative recommendations all sought to create a central intelligence apparatus that protected departmental intelligence units rather than to ensure that the new central agency would function well.

For the CIA, this structural weakness has manifested itself most visibly in chronic problems with analysis and estimates. *Flawed by Design* argues that, for most of the Cold War, the Agency concentrated on covert activities while neglecting the business of interpreting and presenting intelligence for policymakers:

While the covert side took off, the CIA's coordination and analysis functions never got off the ground. The root of the problem was structural. No department was willing to bow to centralized control; the Navy, War, Justice and State Departments sabotaged CIA design [sic] at the outset. This was bad news for presidents. After 1947, coordinating central intelligence became an exercise in damage control. Congress, meanwhile, did nothing. The spooks reigned supreme.

Even apart from the unmerited dismissal of CIA analysis implied in this judgment, two things need to be said about Professor Zegart's thesis about the influence of CIA's origins on the Agency's subsequent development. First, she has usefully reminded intelligence scholars of the importance of the military unification issue. Truman did indeed hitch intelligence reform to the engine of service unification in 1946, and more scholars need to study the interplay between the two issues if they would understand the evolution of American intelligence. Second, her narrative has a shaky grasp of the historical facts of the Agency's origins. *Flawed by Design* thus builds some worthy insights on a wobbly foundation.

To cite just one unfortunate example, *Flawed by Design* declares the Agency "was given no authority to collect intelligence on its own or to engage in any covert operations." This statement is simply wrong. Declassified Congressional debates and executive-branch documents related to the passage of the Act show that Congress and the White House fully intended for CIA to run covert operations—particularly espionage—which the National Security Act authorized as "services of common concern."

Flawed by Design also neglects to mention that the espionage and counterintelligence branches of the wartime Office of Strategic Services had been salvaged from the wreck of OSS in 1945 and saved in the War Department, alongside the Department's own intelligence arm, the G-2. In 1946, the War Department kept the G-2 but offered the remnants of OSS—now called the Strategic Services Unit (SSU)—to CIA's predecessor organization, the Central Intelligence Group. The White House approved this transfer in April 1946, thereby giving the new CIG a clandestine service. The National Security Act provided a statutory basis for this when it transformed CIG into the CIA in 1947.

This matters because it casts doubt on her model for analyzing the formation of public policy. Her model identifies the various competing organizational and individual actors affected by an event or decision and predicts that they will act to protect and maximize their own narrowly defined interests. A War Department acting as predicted in *Flawed by Design* would simply have assimilated the SSU, or at least would never have offered it up to a potential rival like CIG.

Professor Zegart would surely have profited from an advance copy of David Rudgers's *Creating the Secret State*. Rudgers, a retired 22-year veteran of CIA's analytic side, spent almost a decade on this work, and his careful research shows to good effect. *Creating the Secret State* is a well-written introduction to the debates around the dissolution of the OSS and the creation of its successor. Rudgers does not stumble in interpreting the National Security Act's avoidance of the word "espionage."

Building on books by Thomas F. Troy and Bradley Smith, Rudgers concedes to earlier works that William J. Donovan was indeed the "godfather" of CIA, but he goes beyond the debates over Donovan's role to explain that "the idea of a central intelligence organization developed *institutionally* among US government policy makers" (emphasis in original). Dr. Rudgers has not discovered major new sources on the period (surely few, if any, remain to be found by now), but he uses the declassified records skillfully and weaves them together with contemporary observations of the same events to craft a coherent narrative that can be used profitably by

university undergrads and graduate students studying American intelligence. Where Troy's 1970s-vintage *Donovan and the CIA* is encyclopedic in its presentation of the evidence, *Creating the Secret State* is a more readable primer—and the only full-length one—on CIA's origins.

Rudgers's *Creating the Secret State* does have its glitches. For instance, the SSU came into being on 1 October 1945, not 27 September (p. 45); and SSU's second chief was Colonel—not yet General—William W. Quinn. At one point, *Creating the Secret State* seems confused about the outcome of high-level debates over the issue of giving the new CIG an independent budget; that step was authorized in the summer of 1946, and not left hanging until February 1947. But errors like these are minor given the number and variety of sources cited in the book, and they would be easily correctable in a second edition.

I commend both of these new books for reminding a new generation of intelligence scholars that origins matter and that the compromises and assumptions imbedded in the founding of an organization—even a secret intelligence service—have profound effects on the ability of that organization to perform its mission. What I would like to see, however, is a greater focus by both authors and subsequent scholars on that mission itself.

The CIA has always had two missions. These came together in 1946, and together they made CIG (and thus CIA) a very different animal from OSS. CIA is the nation's primary agency for strategic warning and for the coordination of clandestine activities. Both missions came to the CIG in July 1946 when National Intelligence Authority Directive 5 authorized the Director of Central Intelligence (DCI) to “centralize” research and analysis and to coordinate clandestine activities abroad.

The relationship between these two missions has formed the central dynamic in the Agency's unfolding history. No law of nature or intelligence practice dictates that the same organization has to provide strategic warning *and* manage covert activities, and these two missions have not always fitted together comfortably. Indeed, subsequent Presidents and DCIs have come to realize how the two missions can complement one another—and what happens when they do not.

Michael Warner is Deputy Chief of CIA's History Staff.

All statements of fact, opinion, or analysis expressed in this journal are those of the authors. Nothing in any of the articles should be construed as asserting or implying US government endorsement of their factual statements and interpretations. Articles by non-US government employees are copyrighted.